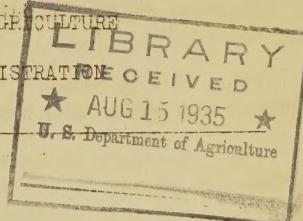


UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION



PROPOSED

LICENSE FOR DEALERS

IN WOOL AND MOHAIR

This License in its present form is proposed by members of the industry as the basis of a public hearing for the above-mentioned Industry, and none of the provisions contained herein are to be regarded as having received the approval of the Agricultural Adjustment Administration as applying to this Industry.

(THIS IS NOT FOR SIGNATURE)

I hereby certify that this is a true and correct copy of the Proposed License for Dealers in Wool and Mohair, on file in the Office of the Chief Hearing Clerk, United States Department of Agriculture, Agricultural Adjustment Administration.

(Signed) James K. Knudson
Chief Hearing Clerk
4725 South Building
U.S. Dept. of Agriculture
Washington, D. C.

Dated: May 14, 1935

Washington, D. C.

PROPOSED LICENSE FOR DEALERS IN WOOL AND MOHAIR

Article I -- Purposes

Whereas, it is provided by section 8 of the Agricultural Adjustment Act as follows:

"Sec. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power * * *

(3) To issue licenses permitting processors, associations of producers, and others to engage in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, or any competing commodity or product thereof. Such licenses shall be subject to such terms and conditions, not in conflict with existing Acts of Congress or regulations pursuant thereto, as may be necessary to eliminate unfair practices or changes that prevent or tend to prevent the effectuation of the declared policy and the restoration of normal economic conditions in the marketing of such commodities or products and the financing thereof. * * *

(4) To require any licensee under this section to furnish such reports as to the quantities of agricultural commodities or products thereof bought and sold and the prices thereof, and as to trade practices and charges, and to keep such systems of accounts, as may be necessary for the purpose of part 2 of this title."

and

Whereas, due notice and opportunity for hearing with respect to the issuance of this License and with respect to the terms and provisions thereof have been afforded interested parties; and

Whereas, the undersigned finds that it is necessary to issue this License pursuant to section 8 (3) of said Act and that the terms and provisions hereof are necessary in order to effectuate the purposes of the Act; and

Whereas, the undersigned finds that this License and the terms and provisions hereof are in accordance with the provisions of section 8(3) of the Act and tend to effectuate the purposes of the Act; and

Whereas, the undersigned finds that the handling of the commodity, and the products thereof, covered by this License is in the current of interstate and/or foreign commerce.

Now, therefore, the Secretary of Agriculture, acting under the authority vested in him as aforesaid:

Hereby licenses each and every licensee to engage in the business of dealing in the current of interstate or foreign commerce in wool and mohair, subject to the following terms and conditions:

Article II. -- Definitions

Section 1. Definition of Terms -- As used in this License,

1. "Secretary" means the Secretary of Agriculture of the United States.
2. "Act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.
3. "Person" means individual, partnership, corporation, association, or any other business unit.
4. "Wool" means wool shorn from sheep in the United States and not advanced beyond the process of scouring.
5. "Mohair" means hair shorn from goats in the United States and not advanced beyond the process of scouring.
6. "Grower" means a person who produces wool or mohair for sale or shipment in the current of or in competition with, or so as to burden, obstruct, or in any way affect interstate and/or foreign commerce.
7. "Licensee" means a person who buys, sells, distributes, or markets, wool or mohair as principal, or as or through an agent, employee or otherwise, in the current of or in competition with, or so as to burden, obstruct, or in any way affect interstate or foreign commerce.
8. "Books and records" means any books, records, accounts, contracts, documents, memoranda, papers, correspondence, or other data pertaining to the business of the person in question.
9. "Subsidiary" means any person, of or over whom or which, a licensee or an affiliate of a licensee has, or several licensees collectively have, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.
10. "Affiliate" means any person and/or any subsidiary thereof, who or which has, either directly or indirectly, actual or legal control of or over a licensee, whether by stock ownership or in any other manner.
11. "Administrator" means the License Administrator designated by the Secretary to administer the provisions of this License.

Article III -- Advisory Committee

Section 1. Members. -- An Advisory Committee shall be established consisting of nine(9) members who shall be selected in accordance with the provisions of this article and shall serve until February 1st of the year following the date of their respective selections and until their respective successors are selected. The initial members or their alternates shall be those named in section 2 of this article. Their respective successors (other than those selected to fill vacancies) shall be selected annually at least ten (10) days prior to the termination of the term of office of their respective predecessors. No delay in the selection of any successors shall be deemed to invalidate any such selection.

Sec. 2. Selection of Members. -- The initial members of the Advisory Committee, and their alternates, shall consist of the following persons, whose successors shall be selected by the person, persons, or groups indicated:

1. _____, as member, _____, as alternate, whose successors shall be selected by growers of District 1 as hereinafter defined and in the manner hereinafter set forth.

2. _____, as member _____, as alternate, whose successors shall be selected by growers of District 2 as hereinafter defined and in the manner hereinafter set forth.

3. _____, as member, _____, as alternate, whose successors shall be selected by growers of District 3, as hereinafter defined and in the manner hereinafter set forth.

4. _____, as member, _____, as alternate, whose successors shall be selected by growers of District 4, as hereinafter defined and in the manner hereinafter set forth.

5. _____, as member, _____, as alternate, whose successors shall be selected by growers of District 5, as hereinafter defined and in the manner hereinafter set forth.

6. _____, as member, _____, as alternate, whose successors shall be selected at a general election in which all licensees shall be entitled to participate, each such vote, however, to be weighted according to the volume of wool and mohair handled by each licensee during the calendar year next preceding such election.

7. _____, as member, _____, as alternate, whose successors shall be selected at a general election in which all licensees shall be entitled to participate, each such vote, however, to be weighted according to the volume of wool and mohair handled by each licensee during the calendar year next preceding such election.

8. _____, as member, _____, as alternate, whose successors shall be selected at a general election in which all licensees shall be entitled to participate, each such vote, however, to be weighted according to the volume of wool and mohair handled by each licensee during the calendar year next preceding such election.

9. _____, as member, _____, as alternate whose successors shall be selected at a general election in which all licensees shall be entitled to participate, each such vote, however, to be weighted according to the volume of wool and mohair handled by each licensee during the calendar year next preceding such election.

Sec. 3. Alternates. -- The alternate named in section 2 for each member of the Advisory Committee shall have power to act in the place and stead of such member (a) in his absence, and/or (b) in the event of his removal, resignation, or disqualification, for his unexpired term until a successor has been selected. A like alternate, with similar powers, may be selected for each successor member by the person, persons, or group by whom, and in the same manner as, such successor member is selected.

Sec. 4. Definitions of Districts and Manner of Election. -- 1. For the purpose of selecting representatives of growers the several states are divided into the following districts, each district to be represented by one grower member on the Advisory Committee.

- (a) District 1 shall be comprised of the States of Idaho, California, Oregon, and Washington.
- (b) District 2 shall be comprised of the States of Montana, Wyoming, North Dakota, and South Dakota.
- (c) District 3 shall be comprised of the States of Nevada, New Mexico, Colorado, Arizona, Nebraska, and Utah.
- (d) District 4 shall be comprised of the State of Texas; and
- (e) District 5 shall be comprised of all the remaining States of the United States.

2. Grower members and alternates of the Advisory Committee to represent districts 1, 2, and 3, shall be selected in the following manner:

The growers of each state at general elections in which all growers shall be entitled to participate, each grower casting one (1) vote on behalf of himself, his agents, partners, affiliates, subsidiaries, and representatives, shall elect one elector. The electors of the several States comprising each district shall elect the grower member to the Advisory Committee, the vote of the electors being weighted according to the volume of shorn wool and mohair produced in each State during the calendar year next preceding such election. For the purpose of ascertaining the volume of wool and mohair produced in each State the estimates of the Bureau of Agricultural Economics, United States Department of Agriculture, shall be used and shall be conclusive evidence of the volume of shorn wool and mohair produced in each such State for the purposes of this section.

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3. The grower member and alternate of the Advisory Committee to represent District 4 shall be elected at a general election in which all growers shall be entitled to participate. Each grower shall be entitled to cast one (1) vote on behalf of himself, his agents, partners, affiliates, subsidiaries, and representatives.

4. The grower member and alternate of the Advisory Committee to represent District 5 shall be selected by the Secretary from the names submitted by growers or growers' associations.

Sec. 5. Vacancies. -- To fill any vacancy occasioned by the removal, resignation, or disqualification of a grower member, or alternate, of the Advisory Committee, a successor for his unexpired term shall be selected by the Secretary. To fill any vacancy occasioned by the removal, resignation, or disqualification of any member of the Advisory Committee representing licensees, a successor for his unexpired term shall be selected within thirty (30) days after such vacancy occurs by persons and in the manner indicated in section 2 of this article.

Sec. 6. Failure to Select Members. -- If any successor is not selected within the applicable period specified in this article, the Secretary may select a person, with full power to act as a member, to serve until such successor is selected.

Sec. 7. Quorum. -- The Advisory Committee shall not perform any of its duties or exercise any of the powers herein granted, while there are more than three (3) vacancies in its membership. This provision shall not affect or supersede any other provision of this License requiring a minimum vote with respect to specified action to be taken by the Advisory Committee.

Sec. 8. Certification of Members. -- Upon the selection of any member or members of the Advisory Committee, the Secretary of said Advisory Committee shall certify to the Secretary the name and address of each such member and of his alternate, if any, and the date or dates of their selection. The members and alternates, if any, so certified to the Secretary shall be deemed for all purposes to be the duly selected members and alternates of the Advisory Committee, subject, however, to the right of any interested party to protest such selection in accordance with the applicable Administrative Orders issued by the Secretary.

Sec. 9. Removal of Members. -- The members of the Advisory Committee or any other committee created hereunder (including successors, alternates, or persons selected by the Secretary), shall be subject to removal by the Secretary at any time.

Sec. 10. Powers and Duties. -- The powers and duties of the Advisory Committee shall include the following:

1. To elect a chairman and, from time to time, such other officers as it may deem advisable, and to adopt rules and regulations for the performance of its duties under this License.

2. To meet, from time to time, with the Administrator to aid and advise him in the supervision of the provisions of this License.

3. To advise the Secretary with reference to selling charges.

Sec. 11. Reports, Books, and Records. -- 1. The Advisory Committee shall, upon the request of the Secretary, furnish him such information as he may request, and all the books and records of the Advisory Committee shall, at any time, be subject to the examination of the Secretary.

2. The Advisory Committee shall keep books and records which will clearly reflect all its transactions, and shall submit to the Secretary certified copies of the minutes of its meetings immediately after such meetings take place.

Article IV -- Administrator

Section 1. Office of Administrator. -- To carry out the provisions of this License there is hereby created the office of License Administrator.

Sec. 2. Selection. -- The Administrator shall be appointed by the Secretary to serve for such period of time as the Secretary shall designate.

Sec. 3. Removal or Disapproval. -- The Administrator shall be subject to removal by the Secretary at any time. Each and every order, regulation, decision, determination, or other act of the Administrator shall be subject to the continuing right of the Secretary to disapprove of the same at any time and upon such disapproval shall be deemed null and void except as to acts done prior to such disapproval and in reliance on or in compliance with such order, regulation, determination, or other act of the Administrator.

Sec. 4. Compensation of Administrator. -- The Administrator shall receive such compensation as may be fixed by the Secretary.

Sec. 5. Duties and Powers. -- The Administrator shall have the following powers and be subject to the following duties:

1. To supervise the administration of this License.

2. To investigate suspected violations of this License and to hear, and, upon due notice and opportunity to be heard to the parties concerned, dispose of all questions, violations, disputes and complaints arising in connection with this License. Any determination or decision of the Administrator shall be appealable to the Secretary in accordance with the provisions of Article VII hereof. The provisions of this paragraph shall not be deemed to limit the remedies or procedure now existing pursuant to the Act or General Regulations issued pursuant thereto or which may be hereafter established by the Secretary for the enforcement or administration of this License.

3. To appoint and define the duties of committees to be composed of growers and/or licensees to aid him in the administration of this License.

4. To keep books and records.

5. To have access, as agent of the Secretary, to books and records of the licensees.

6. Subject to the approval of the Secretary, to prescribe rules and regulations in connection with the administration of this License.

Article V -- Unfair Practices and Charges

Section 1. Unfair Practices. -- It shall be a violation of this License for any licensee:

1. To make or publish false or untrue statements concerning the business policies, methods or prices of a competitor;
2. To solicit or accept wool or mohair on consignment if such person buys and/or sells wool or mohair for his or its own account or has an interest as partner, stockholder, agent, employee, affiliate or subsidiary with or in any other person who or which buys and/or sells wool or mohair for his or its own account;
3. Knowingly to solicit for consignment wool or mohair which the owner or agent of such owner in writing has contracted to consign to another person or which wool or mohair has been loaded for movement to another person;
4. To use the wool or mohair of one consignor to sell the wool or mohair of another consignor in such a way that the wool or mohair of both or either consignor does not bring the fair market value which such wool would receive if sold separately on its own merits;
5. To divide or to agree to divide the territory where wool or mohair is purchased among two or more licensees;
6. To deduct an arbitrary flat discount for tags or other off-sorts without reference to the actual condition of such wool or mohair;
7. To solicit wool or mohair on consignment with the intention of filling a buying order already on hand without informing the consignor in writing in advance of the terms of such order;
8. To pay or agree to pay any bank, banker, loaning agency, warehouse or any salaried officer or employee thereof any compensation directly or indirectly for buying or securing on consignment wool or mohair owned or controlled by a debtor of such bank, banker, loaning agency, or warehouse, or in which wool or mohair such bank, banker, loaning agency, or warehouse is in any way financially interested;
9. To demand and/or receive selling charges in excess of those fixed, from time to time, by the Secretary;
10. To fail or refuse, before sale, upon request of a consignor, to furnish him information regarding the character and condition, grade and estimated clean content of the consigned wool or mohair;
11. To fail promptly after sale to pay the consignor for the consigned wool or mohair and to account for such wool or mohair, giving the basis of sale or sales, including the sale price, deductions, character and condition, and the clean content of such wool or mohair;

12. To exact as a condition for purchasing wool or mohair the consigning of other wool or mohair.

Article VI -- Reports, Books, Etc.

Section 1. Reports. -- The licensees shall severally, from time to time, upon the request of the Secretary, furnish him with such information as he may request, in a manner prescribed by him and/or in accordance with forms of reports to be supplied by him, for the purposes of (a) assisting the Secretary in the furtherance of his powers and duties with respect to this License, and/or (b) enabling the Secretary to ascertain and determine the extent to which the declared policy of the Act and the purposes of this License are being effectuated; such reports to be verified under oath.

Sec. 2. Examination. -- The licensees also, for the same purposes, and/or to enable the Secretary to verify the information furnished him on said forms or reports all their books and records, and the books and records of their affiliates and subsidiaries, shall during the usual hours of business be subject to the examination of the Secretary, or his duly designated agent.

Sec. 3. Books and Records. -- The licensees and their respective affiliates and subsidiaries shall severally keep books and records which will clearly reflect all financial transactions of their respective businesses and the financial condition thereof.

Sec. 4. Confidential Information. -- All information furnished the Secretary pursuant to this article shall remain confidential in accordance with the applicable General Regulations, Agricultural Adjustment Administration.

Sec. 5. Reports to Administrator. -- For the purpose of enabling the Administrator to perform his functions under this License, each licensee shall furnish to the Administrator or a confidential employee designated by the Administrator, in such form and at such times and substantiated in such manner as shall be prescribed by the Advisory Committee, information with respect to the quantity of wool or mohair on hand, purchases and sales, prices at which wool or mohair was purchased or sold, prices at which wool or mohair was accounted to the growers or other persons for whom the wool or mohair was disposed of, records with respect to consignments, the nature of business engaged in, charges and commissions, and such other information as may be necessary to effectuate the purposes of this License. Such information and reports furnished to the Administrator or the aforesaid confidential employee shall be confidential and shall not be disclosed to any person except to the Secretary upon his request; except that the Administrator or the confidential employee may compile the information in such form as will not reveal the identity of individual informants and may make the compilations available to the public. If the Administrator or the confidential employee shall disclose any information except as aforesaid, he shall be subject to immediate removal by the Secretary and to such penalties as may be imposed by General Regulations, Agricultural Adjustment Administration.

Article VII -- Appeals

Section 1. Appeals. -- Any person may petition the Secretary to review any order or decision of the Administrator. Pending the disposition

by the Secretary of any appeal, the parties shall abide by the order or decision of the Administrator, unless the Secretary shall rule otherwise pending such disposition.

Sec. 2. Action Upon Appeal. -- Any such petition must be filed in writing setting forth the facts upon which it is based. The Secretary shall, if the facts stated show reasonable grounds for appeal, grant such petition and may revise or change in any manner any order or decision from which an appeal is taken.

Article VIII -- Effective Time and Termination

Section 1. Effective Time and Termination. -- This License shall become effective on January 1, 1936, and shall continue in force, subject to termination as follows:

1. The Secretary may at any time terminate this License as to all parties thereto by giving at least one day's notice by means of a press release or in any other manner which the Secretary may determine;

2. This License shall in any event terminate whenever the provisions of the Act authorizing it cease to be in effect.

Sec. 2. Effect of Termination or Amendment. -- Unless otherwise expressly provided in the notice of termination or in the amendment, no termination or amendment of this License shall either (a) affect, waive, or terminate any right, duty, obligation or liability which shall have arisen or may thereafter arise in connection with any provision of this License; (b) release or forgive any violation of this License, occurring prior to the effective time of such termination or amendment; or (c) affect or impair any rights or remedies of the Secretary or of any other person with respect to any such violation.

Sec. 3. Continuing Power and Duty. -- If, upon the termination of this License, there are any obligations arising thereunder, the final accrual or ascertainment of which requires further acts by any person, the power and/or duty to perform such further acts shall continue notwithstanding such termination.

Article IX -- Agents

The Secretary may by designation in writing, name any person or persons, including officers or employees of the Government, or Bureaus or Divisions of the United States Department of Agriculture, to act as his agents or agencies in connection with any of the provisions of this License, and he may authorize any such agent to designate or appoint persons, including officers or employees of the United States Department of Agriculture, to exercise or perform any or all of the powers and functions delegated to them as may be deemed necessary or advisable to accomplish the proper execution or performance of such powers and functions.

Article X -- Derogation

Nothing contained in this License shall be construed to be in derogation or in modification of the rights of the Secretary or of the United States (a) to exercise any powers granted by the Act or otherwise, and/or (b) in accordance with such powers to act in the premises whenever such action is deemed advisable.

Article XI -- Separability

If any provision of this License is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder of this License and/or the applicability thereof to any other person, circumstance, or thing shall not be affected thereby.

In Witness Whereof, I, _____, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, as amended, and the applicable General Regulations issued pursuant thereto, for the purposes and within the limitations therein contained and not otherwise, do hereby execute in duplicate and issue this License in the City of Washington, D. C., on this _____ day of _____, 1935, and pursuant to the provisions hereof declare this License to be effective on and after 12:01 a.m., eastern standard time, _____, 193____.

Secretary of Agriculture

